



DEFENSE DISTRIBUTION



NDTA BRIEF
Washington D.C. Chapter
November 29, 2005

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Graphic by
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THE DLA ENTERPRISE



FY01 Sales/Services:

\$17B

FY02 Sales/Services:

\$21.5B

FY03 Sales/Services:

\$25B

FY04 Sales/Services:

\$28B

FY05 Sales/Services:

\$31.8B

FY06 Projection: \$34.3B

• Distribution:

\$2.5B

• Other:

\$1.0B

- ~95% of Services' repair parts

Foreign Military Sales

- Sales: \$812.8M
- Shipments: 501K
- Supporting 124 Nations

Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #54 Fortune 500 - Above Walt Disney
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items - eight supply chains
- 24.7M Annual Receipts and Issues
- 1411 Weapon Systems Supported
- 132.8M Barrels Fuel Sold (FY 05)
- \$14.6B Annual Reutilizations/Disposals

People

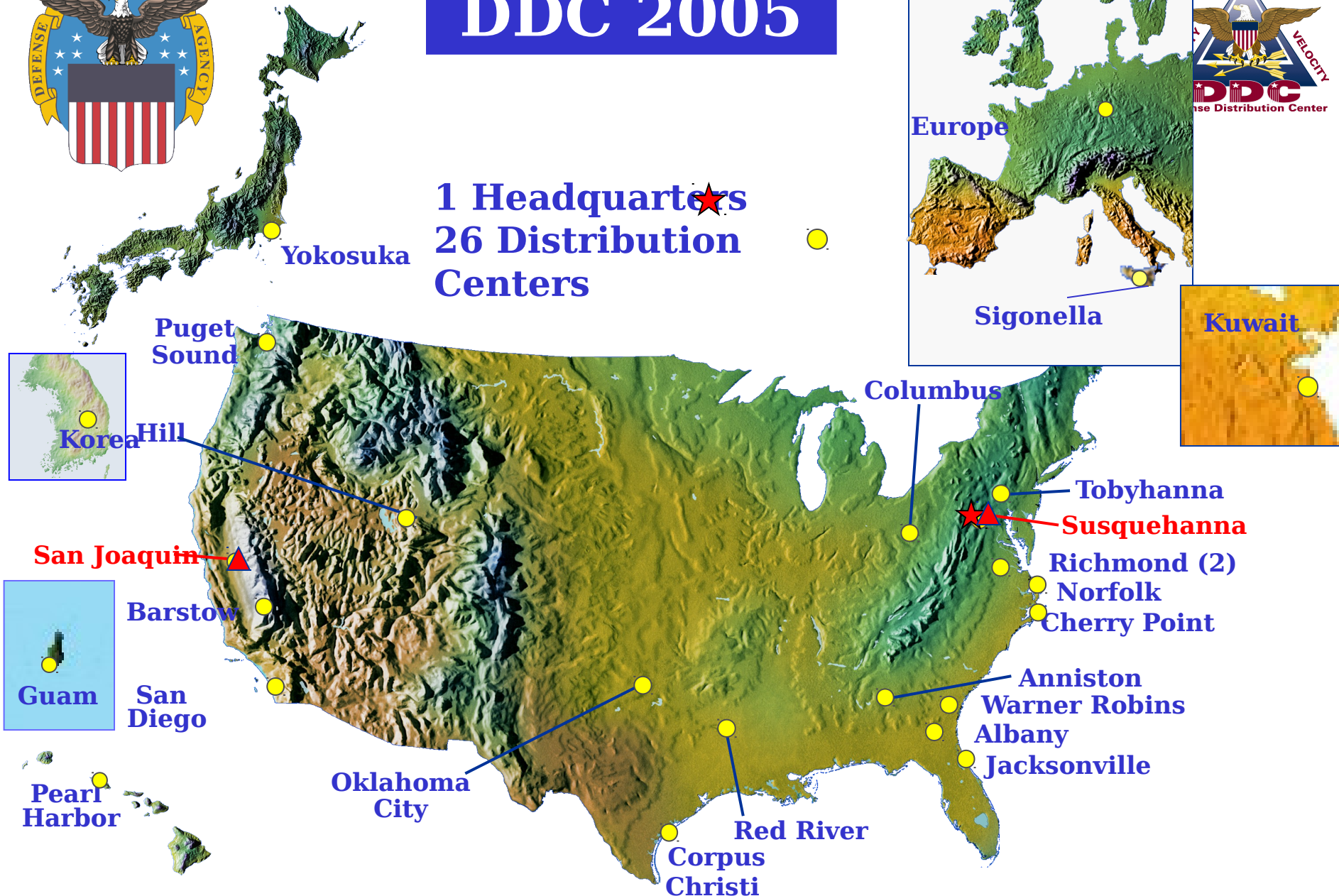
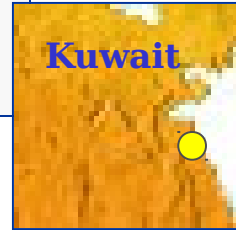
- 21,039 Civilians
- 523 Active Duty Military
- 668 Reserve Military
- Located in 48 States/28 Countries



DDC 2005



1 Headquarters
26 Distribution Centers





FY06 BUDGET - \$2.6 BILLION



Printing
0.3%

Travel
0.3%

Labor
17.7%

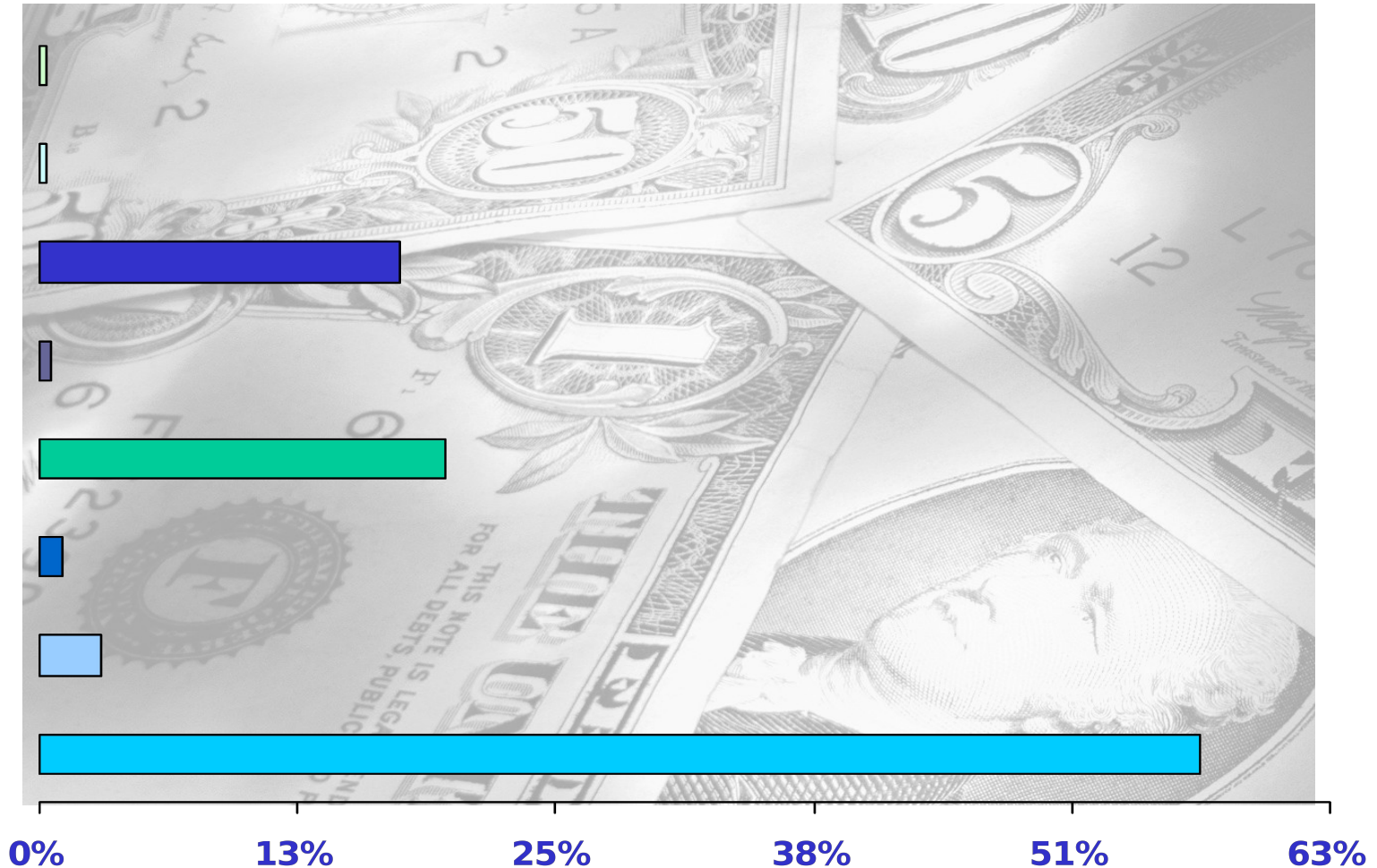
Rent
0.6%

**Purchased
Services**
20.0%

Equipment
1.1%

Supplies
3.0%

Transportation
57.0%





Changing Distribution Network

1 Headquarters
26 Distribution Centers
8 Industrial Sites (BRAC Proposed)



Germersheim

Sigonella (SERDC)

Kuwait

DDKS

TCSP

Susquehanna

Lakehurst

Richmond (2)

Norfolk

Cherry Point

Anniston

Charleston

Warner Robins

Albany

Jacksonville

Red River

Corpus Christi

Oklahoma City

Davis Monthan

Seal Beach

San Diego (RIMM)

Barstow

San Joaquin

Hill

Keyport

Puget Sound

Yokosuka

Korea

Guam

Pearl Harbor (JRM)



and Shipping Point (TCSP)



Document Number Visibility & Positive Asset Control

INBOUND

- Documentation In-Check
- Internal Truck Routing
- Unstuff Containers
- Pallet Breakdown
- Document Receipt
- Segregate Freight

Shipment Types:

- Pure Containers/ Pallets (Air & Surface)
- Multi-Consignee Cont./ Pallets
- Breakbulk (Air & Surface)
- Frustrated/ Misdirected
- Empty Containers/ Pallets

Shipment Origin:

- DLA Direct
- Vendor Direct
- Theater Retail SOS
- Theater Returns

Crossdocking

Management Functions:

- Operations
- Documentation
- Transportation
- Containers

Theater Provided:

- Force Protection
- Theater MCT
- Theater Trans

OUTBOUND

- Consolidation by DoDAAC/ Route Plan
- Stuff Containers
- Build Pallets (Air & Surface)
- Fabrication Capability: wooden/ fiberboard, crates, pallets, etc.
- AMS Cards, RF Tags Applied
- Transportation Documentation
- HAZMAT Certification
- Coordinate Outbound Trans

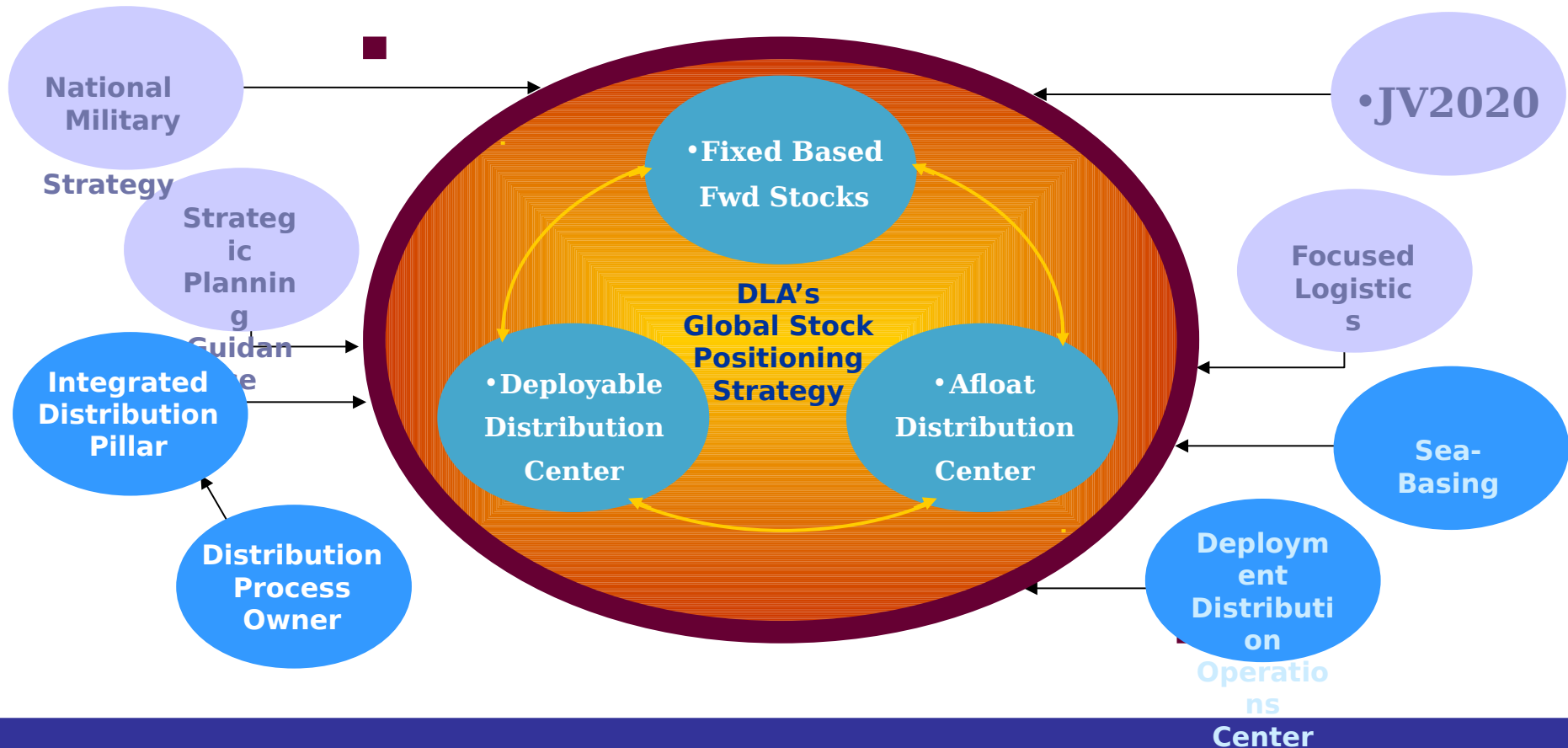
Destination:

- CDC/ SSAs (sustainer push)
- SSAs (local)
- APOD
- SPOD/ Commercial Port

Functions Like CONUS Based CCP Operations



DoD Integrated Distribution Strategy



**DLA Distribution -
Flexibility to Support Current & Future Logistics Concepts**



PAST

- ICP-unique approach...no central strategy
- Vendor-centric stock positioning tendency
- Limited Service/COCOM engagement

- Central strategy and business rules

- DDC-led Stock Positioning II
- Focus shift to Service/Warfighter
- Services/COCOMs engaged

✓ 2 Strategic Distribution Platforms (SDPs)
✓ 4 New Forward Depots

➤ Sigonella, Kuwait, Guam, Korea

- Enterprise Strategy: Global positioning in advance of requirement to increase mat'l availability/reduce wait time

- Increasing readiness while reducing cost
 - "Facing Fill" Targets built into BSM business rules
 - Hub and Spoke methodology
- Service/Warfighter-centric
- Services/COCOMs in partnership

Tailored stock profiles
✓ 4 SDPs
✓ DLA Afloat
✓ Deployable Dist

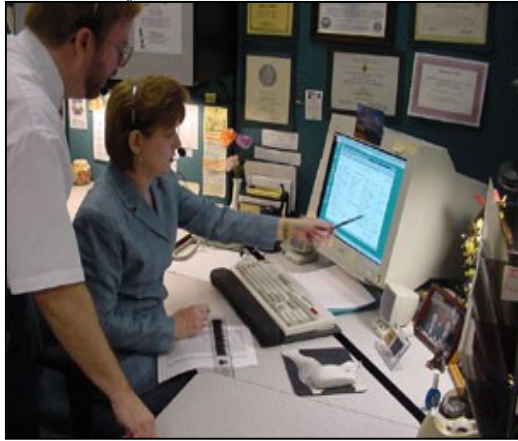


PRESENT

FUTURE



CUSTOMER CONTACT CENTER



- Provide Information and Assistance on all DLA Products and Services
- Input, Modify, Cancel, Track, and/or Expedite Requisitions for DLA Managed Materiel
- Track and/or Expedite Material Release Orders (MROs) for Service Managed Materiel
- Access to 80+ Systems to Assist
- 93% of Calls Resolved Within 2

42,000

Customer
Contacts per
Month

**All DLA Inquiries
1-877-DLA-CALL**

Fax: DSN: 661-7791 Com: 269-961-7791

**24 Hours / 7 Days a
Week**

4 Locations:

- New Cumberland, PA
 - Richmond, VA
 - Columbus, OH





SUMMARY



DDC is Focused and Committed to Provide

- Consistent Customer Support
- Innovative and Tailored Logistics
- Right Item, Right Time, Right Place!



Team DLA...The Source for the Force